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CENTRAL INTELLIGENCE AGENCY

OFFICE OF NATIONAL ESTIMATES

9 April 1957

STAFF MEMORANDUM NO. 21-57

SUBJECT: The Soviet "Presence" in the Middle East

1. When the Soviet campaign for political and economic penetration of the Middle East first loomed over the horizon some two to three years ago, it appeared to many observers to be a broad offensive which might overrun all but the most firmly pro-Western states of the area and perhaps even penetrate them to a significant extent. With the actual unfolding of the Soviet campaign, however, the threat has become both more specific and, at least for the present, more limited. The USSR has succeeded in securing some extremely important lodgements in the area. In so doing, however, it has inevitably become more committed to particular alliances and courses of action and as a result has lost some of its initial freedom of action. This memorandum is an attempt to reassess the strengths and weaknesses of the Soviet position in the Middle East and to estimate its capabilities for exploiting and expanding the beachheads it has thus far established.

Soviet Support for Arab Nationalism

2. In terms of impact, the USSR's greatest achievement has been in Egypt and Syria where it has succeeded in identifying its interests

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with those of the radical leaders who are currently most prominent and influential in the Arab nationalist movement and who are most eager to exclude Western influence from the area. Egyptian President Nasser describes Arab nationalism as "the shield which protects the Arab Homeland from the plots of the imperialists." To date the Soviet Bloc has strengthened that shield with arms credits estimated at \$250 million to Egypt, \$70 million to Syria, and \$9 million to the Yemen. The pronounced increase in Bloc trade throughout the area has been most sharply reflected in Egypt, 23 percent of whose foreign trade (excluding the arms deals) in 1956 was with the Bloc. (This figure is expected to increase substantially in 1957.) Soviet backing of Nasser in the political field has ranged from routine voting support of the Afro-Asian group in the UN to Bulganin's and Khrushchev's threats last November to send "volunteers" to the Middle East and to turn guided missiles against Britain and France. The Soviet press and radio have given vigorous propaganda support to the Arab nationalist position on the Suez Canal, Gaza, Aqaba, the Persian Gulf, and North Africa, and have recently begun to support openly the nationalist forces in Jordan in their opposition to King Hussain.

Impact on Egypt

3. Soviet support has enabled Egypt successfully to defy the West thus far, and its continuance is vital to realization of Nasser's desire to exclude Western influence from the Arab world or at least

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to subordinate it to his own. Additionally, Egypt is now in the position of needing Soviet aid even for a continuance of the present situation. The possibility of another armed clash with Israel, or even with Britain and France, makes Egypt more than ever dependent on the Soviet Bloc as a source of arms and "big power" military backing. Likewise, those Egyptian officers whose influence and authority have grown as a result of their involvement in the selection and adoption of Soviet arms have a vested interest in continued military ties with the USSR. Nationalization and blockage of the Suez Canal and the general breakdown of Egypt's political and economic relations with the West have left the blighted Egyptian economy heavily dependent on barter trade with the Bloc and the possibility that Moscow will eventually finance the High Dam or provide some other economic panacea. The hundreds of Soviet Bloc technicians and advisers who have been active in Egypt and Syria--although they have apparently not indulged in subversive activity--have almost certainly made themselves essential to the continuance of the projects on which they are working. Finally, Nasser's effort to maintain his legend of success by allowing the USSR rather than the UN or the United States to share credit with Arab nationalism for stopping the November invasion and his recent statements comparing "helpful" Soviet policy toward Egypt to unfriendly American efforts to "pressure" and "starve" Egypt reflect the degree to which Cairo and Moscow have developed a mutually profitable working relationship.

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4. Egypt, embroiled in local quarrels and increasingly isolated from the West, may originally have been chosen by the USSR merely as a "target of opportunity." However, as a result of its extensive commitments, the Soviet Union has now achieved a special position in Egypt which constitutes a major asset to Soviet foreign policy. Egypt is the oldest and best integrated of the Arab states. Nasser is the accepted leader of militant Arab nationalism, the most dynamic, if presently the least constructive, force in the Middle East. Through Egypt, the USSR can to some extent influence events in the whole Arab world. Most specifically, it can encourage and make more effective indigenous pressure against the last Middle Eastern redoubts of Britain and France in the Persian Gulf and North Africa. The events of last November have foreclosed the possibility of the British returning to the Suez Canal Base under the provisions of the 1954 Anglo-Egyptian Agreement, and the demonstrated willingness of the Egyptian government and people to block the Canal rather than allow the West to control its use has greatly reduced the reliance which the West can place on the Canal in future economic and strategic planning.

5. The events of the last year and a half have worked toward the reduction of Western influence in the Arab world and the undermining of Western unity there and in the whole international field without the kind of open Communist attack which was employed in China, Korea, and

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Indo-China. These events have also contributed substantially toward establishing the Soviet Union's respectability in the minds of the Arab masses and have for the first time given Moscow a "big power" position within the area. Additionally, in its support of the radical Arab nationalist leaders, the Soviet Union has reinforced its claims to be the champion of anti-colonialist interests against the West, not only in the Arab world but throughout the Bandung area. The close ties which the USSR has established with Syria and its penetration into the Yemen, although they were probably developed primarily as a concomitant to Soviet-Egyptian relations, provide alternate centers of Soviet influence in the event that Nasser is overturned in Egypt. The growing strength of pro-Soviet groups in Jordan suggests that the Hashemite Kingdom may also soon be in a position to fulfill a similar role.

Limitations of the Soviet Position

6. While Soviet foreign policy has benefited substantially from the atmosphere of confidence and cordiality which has developed between Cairo, Damascus, and Moscow, the opportunities for further Soviet gains through the instrumentality of the ultra-nationalist Arab leaders appear limited, and even past Soviet achievements are by no means secure. A careful comparison of Moscow's statements and actions over the past several months with those of Cairo suggests that while Nasser has unhesitatingly accepted and even solicited Soviet aid and advice, he has not

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felt constrained to support Soviet policy or coordinate his own with it, and that in some cases he has not even informed the USSR of his actions and intentions. There is also little doubt that if Nasser can make a deal on his own terms with the West he will not be deterred from doing so by Soviet misgivings or charges of ingratitude. Likewise, while the Soviet Union has won the confidence and cooperation of Colonel Sarraj and the leftist faction in Syria, it has as yet developed only limited capacity to exercise significant independent influence on the complex struggle for power which has been going on in Damascus.

7. The militant Arab nationalist leaders have in turn done their best to exploit the Soviet Union--not only as a bargaining counter to the West but also in intraregional and interfactional quarrels. Arab nationalism itself is primarily an emotional force which has as yet developed little internal cohesion and few rationally defined objectives. The governments which espouse it have become no less irresponsible under Soviet aegis than they were when the West was trying to deal with them before the Soviet entry into the area. Egypt, Syria, Jordan, and the Yemen are not much more united among themselves now than they were then, and their present governments are as shaky as ever.

8. Egypt's close ties with the USSR have alienated several of the other states of the Middle East and thus to some extent narrowed the USSR's base for future operations. King Saud's suspicions of Egyptian

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and Soviet intentions have increased sharply and he has made clear his preference for friendship with the United States and has moved closer to Iraq, Iran, and the Lebanon. He has also thrown his influence in Syria, against the leftists. Lebanon, Libya, and Tunisia have reacted to increasing Soviet-Egyptian influence by emphasizing their intention to stand with the West. The Baghdad Pact nations' opposition to Nasser has grown proportionately to the Egyptian leader's success.

9. The clear-cut association of Soviet "big power" military strength with the leaders of militant Arab nationalism has encouraged a new assertion of direct American interest in the area, of which the USSR has already shown itself deeply apprehensive. While the American initiative has won approval from all of the Western-oriented states of the area and even from Afghanistan, a Soviet-oriented "neutral", Moscow has been unable to get official endorsement of its 11 February proposals for the Middle East from any country--including Egypt and Syria. The bluffing technique by which the USSR was able to defeat (in the eyes of the Arabs at least) the British-French-Israeli challenge to Egypt last November has lost some of its effectiveness as a result of the US declaration that Communist aggression in the area will be met with force.

10. While the USSR's activities at the eastern end of the Mediterranean have contributed significantly to the speed with which

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British military forces and bases were eliminated from Jordan and pressure has developed against the British position in the Aden Protectorate, Moscow has not to date come appreciably closer to achievement of its major long-term objective of eliminating the more formidable Western bases in Saudi Arabia, Turkey, and Iraq, and destroying the Baghdad Pact, which connects the nations most immediately adjacent to its borders. Thus, the USSR is still compelled to employ direct "fear diplomacy" in threats to Greece and Turkey in its efforts to prevent the development of nuclear weapons capabilities in these countries.

11. Neither has the Soviet Union come much closer to denying the oil resources of the area to the West or extending its own influence over them. Egypt's control of the Suez Canal has resulted in the temporary cutting off of most of Western Europe's normal fuel supplies, but blockage of the Canal has also been followed by greatly increased activity aimed at the construction of new pipelines to the Mediterranean through Turkey and Israel and at development of a new supply system based on "super-tankers" not dependent on the Canal. At the same time, the Baghdad Pact countries, which together with Saudi Arabia, control the oil and provide military bases to the West, have become increasingly hostile in reaction to Moscow's support of their rival, Nasser. The oil revenues and liberal American aid which most of these countries enjoy have also made it possible for their governments to react cautiously to Soviet assistance offers.

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Future Soviet Activity

12. The Soviet Union may have been carried further along on the rush of events of 1956 than it would have chosen to go if it had been able to control the tempo of developments. Up to and during the invasion crisis, Moscow's decisions were probably made on a day to day basis. The Middle East section of the Soviet foreign office has recently been expanded, however, and the extensive commitments which the USSR has undertaken in the area have probably resulted in some degree of crystallization of Moscow's aims and policies. These, of course, will be inhibited for some time by the irresponsibility of the USSR's local allies which could result in actions which would provoke further Western intervention, and by the American doctrine, the implications of which the USSR has probably not yet fully assessed.

13. As a general policy, the USSR will probably continue to support the extremist Arab nationalist leaders wherever it finds an opportunity to do so. Soviet officials are no less active in urging Nasser to defy Israel and the West now than they were during the nationalization and invasion crises, and Moscow probably hopes by encouraging extreme Arab claims against Israel to force the United States into closer identification with the Jewish state in the eyes of the whole Moslem world. The USSR will probably continue to supply arms

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aid to Egypt and Syria and will probably respond promptly to any request for arms which may be forthcoming from Jordan. While Moscow is unlikely to be willing to finance the Aswan Dam or undertake large-scale, long-term development projects, it may attempt to brace the Egyptian economy with moderate economic and technical assistance credits.

14. In order to increase Britain's difficulties in the Aden Protectorate, every effort will probably be made to follow up the beachhead which has been established in the Yemen. The USSR will probably also continue to encourage the ultra-nationalist cause in North Africa and the Persian Gulf--both in the UN and through its propaganda media. Through Egypt, it may undertake to supply arms and economic support to dissident elements in these areas. It is likely to step up its support for internal efforts to strengthen the cause of the extreme nationalists through such measures as the elimination of King Hussain and Egyptian-Syrian-Jordanian unity. In the present round of negotiations over the Suez Canal, the USSR will continue to insist on the need for unqualified recognition of Egyptian sovereignty over the Canal. It may be expected also to persist in its advocacy of an international conference to settle the Canal problem in which it can demonstrate and expand the role of interested "big power" which it has achieved in the area. However, it will be reluctant to give Nasser open backing for any measure which would alienate the majority of the Afro-Asian bloc--especially India.

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In order to minimize the risks in all of these courses, Moscow will almost certainly seek to get into a position where it can have fuller knowledge of Nasser's plans and activities and influence them to a greater degree.

Soviet Activity in other Middle East states

15. Meanwhile, the USSR will continue and possibly increase its activity in the other states of the Middle East. Moscow has already invested more than \$100 million in economic credits and an estimated \$30 million in arms credits in Afghanistan. Much of Afghanistan's foreign trade has been rerouted to transit the Soviet Union and most of its cotton and wool are being exported to the Bloc. Several hundred Soviet technicians have been at work in the small country, and the USSR is playing a major role in the reorganization and modernization of its armed forces. India is scheduled to receive \$280 million in Soviet credits to support development of heavy industry under its Second Five Year Plan. New Delhi has also received full diplomatic support for its position on Kashmir, and almost certainly, offers of Soviet arms. The Soviet Bloc has offered technical and economic assistance (including nuclear development) to such staunch allies of the West as Pakistan, Turkey (which has accepted several million dollars in commercial credits), and Iran. Similar offers have been made to "innocent bystanders," such as Ethiopia (which has accepted \$3 million) and Libya.

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The USSR has signed civil aviation agreements with India and Afghanistan and is now pressing for similar agreements with Iran and Lebanon. Throughout the area, Moscow has been pushing a rapidly expanding trade program.

16. To date, the USSR has gotten less return on its investment in these countries than it has in Egypt and Syria. Even in Afghanistan, Moscow has apparently not been able to develop enough control to prevent Kabul's displaying interest in obtaining US aid and commitments under the American Middle East Doctrine and moving toward a rapprochement with Pakistan. Indian Prime Minister Nehru, despite his anger and fear at American military assistance to Pakistan, still refuses to accept arms from the USSR. Soviet suppression in Hungary, although obscured in the Asian public mind by the British and French invasion of Egypt, has awakened new doubts in the minds of certain leaders.

17. None of these problems are insoluble from the Soviet standpoint, however, and the inherent desire of almost all of the Asian and African countries to profit from playing the East against the West will continue to provide a favorable atmosphere for the USSR to follow up its initial efforts. Even minor Soviet advances in other Middle East countries provide a hedge against possible losses in Egypt and Syria. Additionally, the western end of the Middle East provides a

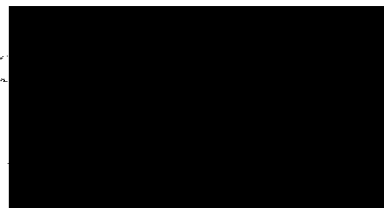
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jumping off point for activity in Black Africa, which is probably the object of increasing Soviet interest. At the extreme eastern end, Soviet activity in India and Burma and overtures to Nepal, Pakistan, and Ceylon indicate that Moscow does not intend to rely entirely on Peiping for advancement of the Communist cause in South and Southeast Asia.

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